

IN THE MATTER OF:)
)
ICELAND'S PRE-PROPOSAL)
CONFERENCE)

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MILITARY TRAFFIC MANAGEMENT COMMAND

IN THE MATTER OF:)
)
ICELAND'S PRE-PROPOSAL)
CONFERENCE)

12th Floor Conference Room
200 Stovall Street
Alexandria, Virginia

Tuesday,
August 5, 2003

The parties met, pursuant to the notice, at
9:21 a.m.

ATTENDEES:

Military Traffic Management Command:

GREGORY IRCINK
BILL MILLS
JAMES WASHINGTON
BAMBI BEATTY
LISA SEERY
ANNA GRIGSBY
CRAIG ROBINSON

VO Shipping:

MICHAEL CHAPELL

Sher and Blackwell:

HEATHER SPRING

Washington Maritime:

WARREN HAYDEN

ATTENDEES: (Continued)

Trans Atlantic Lines:

BRANDON ROSE
GUDMUDER KJAERNESTED
BRIAN BANNON

Eimskip USA:

GARDAR THORSTEINSSON
ANNETTE SIMMONS
PAM JENNINGS

Samskip:

CHARLES BEST
TATJANA HERRING

Ministry for Foreign Affairs in Iceland:

MATTHIAS PALSSON

Mercutor Transport:

JOSEPH GURSKIS

MR. WASHINGTON: Good morning. I would like

Basically, everybody should have a copy of a at this time. What I'm going to do is go through the agenda, and then after we go through the agenda, we will go ahead and have an introduction of everybody at this time. So when you introduce yourself, give your name, and spell your name, and also say where you or organization you are from.

From 9:15 to 10:00, we are going to review
 posed questions and answers, the Q&A session.
 We have a break if we need that. Then after
 the break we are going to have the final Q&A and wrap-up.

At this time what I would like to do is go ahead and introduce myself again. I'm James Washington. I am the contract specialist on this project, on this solicitation. And if you need to get

1 in contact with my, my number is (703) 428-2092.

2 MR. MILLS: Yes, I am Bill Mills. I am a
3 contracting officer on this. And my phone number, I
4 think it's in the solicitation, but if not, it's (703)
5 428-3080.

6 MR. IRCINK: I'm Greg Ircink. I am MTMC's
7 attorney on this contract. If you need to get a hold
8 of me, I have a whole stack of business cards that I
9 would like to get rid of, so just come by and get
10 them.

11 MR. BEST: My name is Chuck Best. I'm an
12 attorney for Samskip. That's B-E-S-T.

13 MR. HERRING: Tatjana Herring, attorney for
14 Samskip. Herring, H-E-R-R-I-N-G.

15 MR. PALSSON: Matthias Palsson, P-A-S-S-O-N.
16 I'm with the Ministry for Foreign Affairs.

17 MR. THORSTEINSSON: My name is Gardar
18 Thorsteinsson. I'm with Eimskip. My name is spelled
19 T-H-O-R-S-T-E-I-N-S-S-O-N.

20 MR. KJAERNESTED: My name is Gudmuder
21 Kjaernested. I'm at Trans Atlantic Lines. I left the
22 card with the lady.

23 MR. WASHINGTON: Okay.

24 MR. ROSE: Brandon Rose with Trans Atlantic
25 Lines.

1 MR. BANNON: Brian Bannon. I'm an attorney
2 for Trans Atlantic Lines.

3 MR. CHAPPELL: Mike Chapell with VO Shipping.

4 MS. SIMMONS: Annette Simmons, that's
5 S-I-M-M-O-N-S, with Eimskip.

6 MS. JENNINGS: Pamela Jennings with Eimskip.
7 J-E-N-N-I-N-G-S.

8 MS. BEATTY: Bambi Beatty, B-E-A-T-T-Y,
9 Military Traffic Management Command.

10 MS. SEERY: Lisa Seery, S-E-E-R-Y, Military
11 Traffic Management Command.

12 MS. GRIGSBY: Anna Grigsby, G-R-I-G-S-B-Y,
13 I'm with MTMC acquisition.

14 MS. SPRING: Heather Spring. I'm attorney
15 with Sher and Blackwell.

16 MR. ROBINSON: Craig Robinson, I'm the chief
17 of distribution here in MTMC contracting center.

18 MR GURSKIS: Joe Gurskis, Mercutor Transport
19 Group, spelled G-U-R-S-K-I-S.

20 MR. HAYDEN: Warren Hayden with Washington
21 Maritime, H-A-Y-D-E-N.

22 MR. WASHINGTON: I would like to thank
23 everybody for taking time out of their business
24 schedule to come to the proposal conference.

25 At this time what I would like to do is go

1 over the questions and answers. Make sure you have --

2 MR. WASHINGTON: If you all please,
3 especially if you have any questions in the back,
4 speak up so the recorder can hear you.

5 Okay, at this time you have two copies. You
6 should have one copy of the questions that has 16
7 questions and answers on it. Which, I'm going through
8 it first. Does everybody have a copy at this time?

9 Question No. 1. "Reference RFP Section
10 2.5.2 -- The government agrees to tender for outbound
11 shipments only a minimum of 760 TEU for each firm
12 annual contract period on the route. The 760 TEUs
13 will be split between an Icelandic shipping company
14 and a U.S.-flag carrier in accordance with the treaty.

15 The minimum guarantee to the 35 percent
16 carrier (usually the US-flag) equal to 266 TEUs per
17 year. The U.S.-flag carrier is a dedicated carrier to
18 the U.S. military with very little cargo, commercial
19 cargo.

20 Basically, what I am go to do is reading are
21 the questions that were submitted to us. Then answer
22 the questions.

23 Is this small guarantee reasonable
24 considering the publicly announced downsizing by the
25 secretary of defense?

1 And the answer to the question is: Yes, it
2 is reasonable. We have not received any official word
3 that the downsizing is going to happen, or when it's
4 going to happen, or how much downsizing will take
5 place.

6 Basically what I am saying here is that
7 nothing has been directed to us that they are going to
8 close down or reduce the forces in Iceland. They are
9 talking about it, but you know and I know that might
10 take five to 10 years before they get anything
11 concrete.

12 Also, I know that the secretary of state
13 does not want to reduce the forces in Iceland, so
14 that's going to be an issue that they have got to work
15 out, so that's going to take time.

16 So we going to drive forward with the
17 requirement as is and nothing has changed.

18 Any questions?

19 Question No. 2. Reference to RFP Section
20 2.3.2 - Cargo shall be loaded and discharged at the
21 commercial port in CONUS and at the commercial
22 terminal at Port -- how do you pronounce it --

23 VOICES: Njardvik.

24 MR. WASHINGTON: You have got to excuse me
25 because I'm learning these words -- Njardvik in

1 Iceland. The requirement of having all cargo
2 transport via the Port of Njardvik limits the
3 carriers' ability to negotiate with other ports in
4 Iceland. As the carriers delivers almost all of the
5 cargo to NAS --

6 MR. WASHINGTON: How do you pronounce that?

7 MR. MILLS: NAS Keflavik.

8 MR. WASHINGTON: Excuse me. NAS Keflavik --
9 boy, I'm going to have some problem with these words.

10 MR. MILLS: NAS is, I think everybody knows
11 but just for -- NAS is the acronym for Naval Air
12 Station.

13 MR. WASHINGTON: Okay. We request the
14 government's reconsideration of this requirement.

15 The answer: This is a customer requirement.
16 We will have to survey the customer to get a reading
17 on this question. Basically, we're going to go back
18 to them and ask them about this question.

19 MR. MILLS: As a follow-on, right before I
20 came into the meeting there was an e-mail came in from
21 Iceland, and the main person that's our point of
22 contact up there, Erlinger, is out of the office on
23 leave. We'll have to get to him. But the people
24 there were having a question because they said --
25 they're looking at -- when the question said

1 "negotiation," I think it said something about
2 carriers' ability to negotiate with other ports in
3 Iceland, and I think they are looking at the word
4 "negotiation" as being able to get in, around and
5 about because it says, "I do not foresee any
6 negotiation problem with the Port of Njardvik."

7 So, I think they are taking that out. So I
8 guess we have got to get back to them and clarify it,
9 because as I understood the question, when you're
10 looking at negotiating with the port, you're looking
11 at setting your fees.

12 Now, if I'm wrong, we need to get that
13 question restated so that we can go back to the people
14 in Iceland, the NAS Keflavik in Iceland and get the
15 exact answer to what you are looking for.

16 MR. WASHINGTON: So, whoever submitted that
17 question, if you want to clarify any further just go
18 ahead and send it back to us and we can go ahead and
19 make sure we have all the information, ask the right
20 questions to the people in Iceland. So, we can give
21 you a correct response to the questions.

22 Number 3. Reference RFP Section 3.7.1 and
23 2.3.2 -- Un-containerized breakbulk cargo shall be
24 carried and stowed under deck.

25 Offshore supply boats have served as the

1 U.S.-flag carrier in the past. However, these
2 vehicles do not have under deck cargo capability. The
3 under deck stowage requirements substantially reduce
4 the availability of suitable U.S.-flag vessels. Is
5 this a requirement, and the requirement is essential?

6 And the answer is yes; this is essential.
7 If breakbulk cargo cannot fit into a container, it
8 must be stored below deck. For the last four and a
9 half years of the contract, MTMC had to pay extra for
10 underdeck storage. Because of the custom of the
11 trade's weather severity and conditions and past
12 experience with damaged or salt infected new vessels,
13 customers and MTMC have requested under deck storage
14 of all DOD breakbulk cargo. For helicopters, this is
15 an actual requirement.

16 Question No. 4. Reference MTMC Cares System
17 Cargo Data. Cargo estimated from Norfolk Zone 1 to
18 Keflavik, Iceland for vehicles is requiring a bid per
19 container. From Keflavik, Iceland to Plaintiff Zone 1
20 for vessels is required a bid per measurement ton.

21 This appears to be a typo. The projection
22 shows 551 TEUs outbound and 205 metric ton CONUS
23 bound. Can the government clarify/advise?

24 Answer: Zone 1 bid for vehicles should be
25 measurement ton instead of containers.

1 Basically, what's going to take place is
2 we're going to go back into the system, the CARE
3 system and change it.

4 MS. SEERY: To breakbulk?

5 MS. BEATTY: To measurement tons.

6 MR. WASHINGTON: Yes, to measurement tons.

7 MS. SEERY: In a container, but you're going
8 to price it basically -- so you're going to make them
9 breakbulk?

10 MR. WASHINGTON: Yes, any questions on that?

11 Question No. 5. Reference RFP Section
12 2.5.2 -- Vessels shall be translated to a TEU
13 equivalent by converting the manifest measure of all
14 such cargo using a conversion of one TEU per 23.3
15 measurement tons of cargo.

16 Usually only one POV is carried in one TEU
17 and the average POV is 10.5 measurement tons. We
18 request the government to reconsider.

19 And the answer: We will re-look at the
20 conversion and make sure they are in accordance with
21 other contracts. So basically, we're going to go back
22 and take a re-look at this.

23 Question No. 6. Reference RFP Section 4.4.4
24 and 4.5.4 -- Accessorials are not applicable under
25 this contract.

1 We note the government will not require
2 accessorial rates. However, the RFP calls for flat
3 rate surcharge. Flat rate surcharge are usually
4 quoted in the CARE System as accessorial. We request
5 advice on how the RFP will handle flat rate
6 surcharges.

7 Answer: The Ordering Officer will notify
8 the KO that he or she wants to ship unusual size
9 cargo. The KO will notify the carrier to negotiate a
10 rate. We do not want our breakbulk cargo put on
11 unprotected flatracks. All breakbulk cargo shall be
12 stowed below deck and, if possible, in protective
13 containers, and then can be stored above deck.

14 MR. CHAPPELL: Can we get a little bit
15 further clarification on that? Does that mean you're
16 going to modify Section 4.5.4?

17 MR. WASHINGTON: 4.5.4?

18 MR. CHAPPELL: Yes.

19 MR. WASHINGTON: That's for --

20 Mr. CHAPPELL: Over Dimensional and Unusual
21 Cargo Service

22 MR. MILLS: No.

23 MR. WASHINGTON: No. If the cargo is
24 oversized, they are going to have to come back in and
25 negotiate the rate. We're not going to modify that

1 section.

2 MR. CHAPPELL: Okay, but what if they have a
3 flatrack that's within gauge according to 4.5.4, there
4 is supposed to be a flatrack surcharge?

5 MS. BEATTY: If that's the way you're going
6 to have to stow it, that's the way your ship is set
7 up, then the flatrack charge will come into place.

8 MR. CHAPPELL: Right, but there is nothing in
9 there to bid flatrack surcharge because the contract
10 states that there is no extra sorting.

11 MS. BEATTY: They have never ever -- I mean,
12 the last five years we've never used a flatrack, but I
13 guess if that's the configuration of your ship makes
14 you use a flatrack, then we need to address that.

15 MR. IRCINK: I think he has got the better
16 argument on this one.

17 MS. BEATTY: We're all friends.

18 MR. MILLS: I guess we can put in
19 accessorial flatrack in there. Like Bambi said, we
20 haven't used one in the last four and a half years, so
21 we kind of thought it was an unneeded requirement.

22 MS. BEATTY: Right.

23 MR. MILLS: We do use them in other
24 contracts, but just because it's in another contract
25 it does not necessarily mean it has a particular place

1 in this one. I think the --

2 MR. CHAPPELL: You can solve that by just
3 deleting 4.5.4.

4 MR. MILLS: Well, that has a lot to do with
5 the displacement for oversized cargo, so I think there
6 is no reason to displace that or to delete it. We
7 will talk about it, and see if we need to add. If we
8 need to add an accessorial, we will add an
9 accessorial. If not, I mean, it stands that we
10 negotiate that cargo out, and this little 4.5.4 is
11 basically part of how you figure what's going to
12 happen when you look at the container displacement.
13 However, it's required to be in there in some form or
14 fashion just to -- even if in negotiation we take it
15 out.

16 MR. GRIGSBY: But if you use the flatrack,
17 it would have to be under deck?

18 MR. MILLS: Yes, it would still be unless
19 there is just a thing as just physically possibly
20 cannot get under deck, and then it's going to have to
21 be covered some way above deck. But that's all part of
22 the negotiation as to what that's going to cost and
23 what it's going to be charge. It's just nothing --
24 nothing that can be fix in this bid and be left out
25 there in case it's used. And there again, correct me

1 if I am wrong, there haven't been that many items that
2 have fit in the last four and a half years, that would
3 even fit in that.

4 MS. BEATTY: No, we've never -- we've always
5 had breakbulk under deck storage, so it fits under
6 deck. We did -- I think we moved one piece at one
7 time, and it was pretty big. We all decided in order
8 to keep the cargo in tact, and the shippers asked to
9 put it under deck, and we always have to ask for it
10 and pay an extra charge, so that's how come it turned
11 into a requirement. It should be an automatic.
12 People shouldn't have to go in there and pay the extra
13 charge to put it under the deck.

14 I have pictures too if you want to see them,
15 the reasons why we want under deck storage.

16 MR. MILLS: Maybe you can send those around,
17 look at them.

18 MR. WASHINGTON: Okay, go to the next
19 question?

20 MR. MILLS: We'll go ahead and talk that
21 over and talk it over also with Naval Air Station, but
22 at this point I don't really see a lot of change in
23 that requirement.

24 MR. WASHINGTON: Question No. 7. Since it
25 is our understanding that all rates are based on door

1 delivery/loading in Iceland, and the carrier is
2 responsible for terminal cost, why does 2.3.2 require
3 cargo to be loaded and discharged at the commercial
4 terminal in Port Njardvik? Should not a carrier be
5 able to utilize whatever terminal in Iceland it
6 chooses?

7 In this regard, it should further be noted
8 that Njardvik may not be accessible for vessel calls
9 at certain times due to weather and also may not
10 accommodate some larger vessels employed in the United
11 States Iceland trade.

12 The answer to the question: Customer
13 requirements for Njardvik, requested additional backup
14 from NASKEF. In the past weather has not
15 differentiated from one port to the next since it is
16 only 25 to 30 miles away.

17 MR. MILLS: Could you expand on that a
18 little bit? Bambi, I think you know a little bit more
19 the history of why they want it to be at the port.
20 You have been on the ground there in Iceland. I
21 haven't.

22 MS. BEATTY: The customer told me that
23 because of transporting it from the commercial port to
24 his base, it's takes a lot more personnel on his part,
25 to keep them overtime, to keep them late, to wait for

1 the stuff to go over the road. They do bring all
2 their cargo into one staging area at Iceland, and they
3 manage it. This is the NASKEF people. So they have
4 to make sure the cargo comes in at one place.

5 He told me that, because of traffic, time of
6 day when the ship gets in there, it causes a burden on
7 them to pay for extra people, to get extra people out
8 there, to work later, and to manage the cargo into the
9 port. When it's across the street, it's across the
10 street. It goes from point A to B, and most of you
11 know how close it is. It's a matter of a short period
12 of time. He doesn't have to spend money. He doesn't
13 have to go out and get his people to work past, you
14 know, the regular hours.

15 And there were other things. He said
16 management, forklift problems, and things like that.
17 He had a lot of issues that it was costing him more
18 money to have the port further away, and he compared
19 that with the last four and a half years to the years
20 before then. And since they are getting slimmer in
21 their money funds up there, he requested that this
22 keep going, this arrangement stay the same way. And
23 he's the customer, so we're just going by his
24 requirements. Does that make sense?

25 I feel it every day when they call me. It's

1 very emotional.

2 MR. MILLS: There again it ties into the
3 previous question, and we will get with Erlinger and
4 the people up there and make sure that we have
5 captured their requirement exactly as they had wanted.

6 MR. THORSTEINSSON: I ask, it seems to me
7 that the contract would then strict what size vessel
8 is employed. The vessel is large and cannot easily go
9 into the port. So this requirement, the contract is
10 then requiring the carrier to use specific sizes of
11 vessels, the medium-size, not the maximum size.

12 MR. CHAPPELL: Could I recommend a second
13 approach? And maybe the carrier pays the base
14 overtime differential to help compensate him for some
15 of his additional expenses? And then we can just
16 include that in our overall expense of getting the
17 cargo delivered, if we order the overtime?

18 MR. MILLS: Restate that again, would you,
19 Mike?

20 MR. CHAPPELL: I'm just thinking out loud.

21 MR. MILLS: Because that's one of the
22 questions we can talk to them about.

23 MR. CHAPPELL: Right.

24 MR. MILLS: And so restate that.

25 MR. CHAPPELL: The carrier then pays the

1 overtime differential when we're delivering after
2 hours.

3 MR. MILLS: I don't think it's --

4 MS. BEATTY: It's not all that.

5 MR. MILLS: In conversations to them, I
6 mean, it's part of it, but I got kind of the sense
7 when they were doing that through talking to us
8 regarding that, it was more a logistical problem, that
9 having the ship in there and everything coming up and
10 down that road between the ports further up was really
11 as much the problem, extra vulnerability to the cargo;
12 just the complete requirement.

13 MR. KJAERNESTED: Also -- my name is
14 Gudmuder Kjaernested. If Mike is worried about the
15 size of the ship that it can't get into the port,
16 there is another port for two miles away. It's called
17 Hakavijic. And if there is a size problem, they could
18 just bring the ships in there, and that's still close
19 to the base.

20 MR. MILLS: Yes. One other possibility, and
21 I was thinking about that when I heard that question,
22 and we can go into negotiations or talk to the
23 customer on that. Also, we are looking at this as a
24 commercial acquisition, and we realize that there are
25 different commercial ports up there. So, we may look

1 at another option, and there again like Mike, I am
2 speaking off the top of my head, and after I say this
3 it might not look worth a darn, but I'll go ahead and
4 say it.

5 We might look at taking that requirement out
6 of there, or keeping the requirement in but as a
7 preferred port, and then you bid your proposal, the
8 way it fits your operation, and you let us know how
9 you are planning on handling and doing what you're
10 going to do to satisfy our requirement with respect to
11 delivery of the goods in NASKEF.

12 And then when the technical evaluators, of
13 which NASKEF will be part of the technical evaluator,
14 that becomes part of the valuation as to how that
15 really fits their requirement. So the burden of proof
16 is back on the carrier as to showing the government
17 how something other than the preferred port would be
18 advantageous if not better, and that would be a
19 combination of how you're going to handle the service
20 plus your rate, because if that makes a big rate
21 difference, and it makes a big difference in how you
22 coordinate your operation, and you can put that in the
23 proposal, then it is something that the technical
24 evaluation team should be looking at.

25 There again that's just me speaking right at

1 this point. As a group, we will have to talk that
2 over and see where we are going.

3 But does that -- does that seem like any
4 kind of a reasonable solution to taking this required
5 port out and putting it into the preferred port? If
6 you like it, it must be a good idea.

7 We'll think about it, and there again, in
8 the next few minutes while we are going on through, I
9 think everybody kind of think about it a little bit.
10 Once we go through these questions, we'll take a
11 little bit of a break and that will give you a chance
12 to formulate possibly some other questions that have
13 come up out of this, and then we can sit back and
14 maybe discuss it a little bit. That's just a thought
15 for now, and let's go ahead and move on to the next
16 question.

17 MR. WASHINGTON: Question No. 8, second
18 page, in 2.5.2, we question the conversion factors for
19 breakbulk cargo and vessels. Should the conversion
20 factor for breakbulk cargo be 21 measurement tons per
21 TEU and for vehicles be 1,165 measurement tons per
22 TEU?

23 Answer: We will re-look at the conversions
24 and make sure they are in accordance with other
25 contracts.

1 Question No. 9: We have reviewed the cargo
2 projections provided in the CARE System II. We would
3 appreciate great explanation of these since they
4 appear to us to be somewhat higher in view of historic
5 content.

6 Answer: Estimates are built on historical
7 volumes and projected shippers' information. But we
8 are going to double check the figures, so we are just
9 going to go back and check the figures that we have.

10 Question No. 10. If the government has no
11 liability for dead freight, what, if any, compensation
12 is payable to the carrier for failure of the
13 government to tender the minimum volume as set forth
14 in 2.5.2?

15 Answer: Due to the type of contract IDIQ,
16 the government is required to fund the minimum
17 quantities. Normally an average container/rate is
18 determined and the multiplied by the deficit.

19 Basically, what we are going to do is
20 whatever the volume is, the minimum volume, the
21 government will fund that minimum volume. I mean,
22 that's the bottom line.

23 Question No. 11. We are not aware of any
24 regulatory requirements promulgated by the Surface
25 Transportation Board, STB, which should be applicable

1 to this contract. What requirements of the STB are
2 contemplated in 6.1?

3 Answer: We are not aware of any new
4 requirements at this time. But as the carrier it is
5 your responsibility to check with the STB and any
6 other regulatory requirements, and make sure that your
7 company is in compliance with all requirements. I was
8 told that the STB is the requirements for the inland
9 linehaul for CONUS.

10 Basically, you know, it's your
11 responsibility to go back to the STB and make sure
12 that you have -- your company complies with all
13 requirements.

14 Question No. 12. Are you able to provide
15 any more details regarding the best value
16 determination to be made as a basis for award than
17 what is set forth in the instructions of offerors,
18 particularly the relationship between price and non-
19 price factors?

20 Answer: Section III (B), Basis for Award,
21 page 67 of 85, which is in the solicitation, the third
22 sentence, "The best value award criteria for each
23 contract will consist of three major factors:
24 technical capability, quality of past performance, and
25 price. Price will be considered less important than

1 any other factor combined in awarding the contract."

2 Are there any questions on that?

3 Question No. 13. Will the government
4 consider past performance information that is prior to
5 past three calendar years if the performed services
6 are materially similar to the service described in
7 this solicitation?

8 And the answer is no. The three-year time
9 frame is set by the Office of Procurement Policy. We
10 need to evaluate your current and recent past
11 performance of similar contracts.

12 Question No. 14. As the definition of
13 "Icelandic shipping companies" in Attachment 6 of the
14 solicitation, where can I get a copy of the Act?

15 Okay, basically, what we say there you can
16 get a copy of the act from the State Department or the
17 Icelandic Embassy, so you basically have to just go
18 back there and get a copy of the treaty or the act.

19 Question No. 15. On page 12 of the
20 solicitation, reference is made to the minimum volume
21 of 760 TEUs for outbound shipment. Is there a minimum
22 from Iceland to the U.S.?

23 The answer: No, there is no minimum from
24 Iceland to the U.S.

25 Question No. 16. Under FAR Part 52.212-2,

1 one of the elements that the carriers will be
2 evaluated on is the capability to comply with the data
3 tracking under EDI. At paragraph 3.4.1.2 of the
4 Performance Work Statement, it states that, "the
5 carrier shall use the Defense Transportation
6 Electronic Data Interchange"? Version 3060 or 4010 or
7 later as required."

8 Please advise us as to how to access the
9 system so as to be able to show that the carrier can
10 in fact comply with the transaction sets and reports
11 that are required. Thank you for your assistance.

12 Answer to that question: See Section 3.8.5
13 EDI, contract Joe Repp, and his number is (757) area
14 code, 878-8621. A carrier can propose to use OCI,
15 small carrier interface until the contract is awarded.
16 Once the carriers is awarded the contract, he can
17 work with MTMC to train and set up EDI up in his
18 system at the carrier's own expense. Only carriers
19 with contracts shall be granted EDI access.

20 I know that was short. Are there any
21 questions at this time?

22 MR. MILLS: I have got one more thing here.
23 I've go three questions that were faxed in the other
24 day, but unfortunately they got lost in the building,
25 the room next door and didn't make it to my desk until

1 this morning, and they are all concerning Amendment 1.

2 So I'll just go ahead and read them.

3 With reference to Amendment No. 1, does the
4 solicitation now incorporate only the definition set
5 forth in Article 2,b, or does it incorporate the
6 entire regulation, including the right of the
7 Icelandic Foreign Ministry to pre-qualify Icelandic
8 shipping companies?

9 And I think probably here the answer is that
10 the whole article or regulation that Iceland put in
11 effect is incorporated as far as the requirement. I
12 wouldn't say requirement, the qualification statement
13 for even an Icelandic carrier, an Icelandic shipping
14 company.

15 What gets to me is that the pre-
16 qualification to pre-qualify, this regulation is not
17 qualifying you as a carrier as to the technical
18 availability or ability of your technical expertise;
19 it's a pre-qualification as to whether or not you meet
20 the Government Iceland requirements of what they
21 consider an Icelandic shipping company.

22 So they are not determining whether you are
23 capable of doing business with MTMC, so they are not
24 pre-qualifying you from that standpoint. We will be
25 the determining factor in that. And when we do the

1 technical evaluation, we will qualify the carrier
2 technically as to how they rate against the other
3 requirements within the solicitation.

4 What this article strictly does is you have
5 to meet -- for the foreign-flag side, you have to meet
6 certain requirements in Iceland to be considered an
7 Icelandic shipping company. If you are not an
8 Icelandic shipping company, then you are not going to
9 be able to put forward your bid on the contract from
10 that standpoint. You might be technically capable
11 from a technical standpoint, but you don't meet the
12 requirements of an Icelandic shipping company, and
13 they are pretty well set out in that regulation.

14 MR. BANNON: Bill, can I ask a question?

15 MR. MILLS: Sure.

16 MR. BANNON: Is it the government of the
17 United States whose position that the government of
18 Iceland has the right to define an Icelandic shipping
19 company for purposes of this procurement as opposed to
20 an Iceland shipping company for purposes of the
21 general order of Iceland?

22 MR. MILLS: Restate that if you would,
23 Brian, to make sure that we understand your question.

24 MR. BANNON: Bill, what I was asking is it
25 the United States Government's position that the

1 Icelandic Government can define Iceland shipping
2 companies specifically for the purposes of this one
3 contract when that definition might not be applicable
4 to Icelandic in --

5 MR. MILLS: Well, I can't answer for the
6 Iceland or the U.S. government, so at this point I
7 would have to take that question and take it to legal
8 and give them a little chance to look at it. But when
9 I read the regulation, I don't see that it's -- it's
10 not tied to this proposal. It does not have in the
11 RFP -- in response to this RFP.

12 MR. BANNON: Well, it says --

13 MR. MILLS: It has a definition. It says
14 the definition.

15 MR. IRCINK: We are going to have to get
16 back to you on that. There is going to be a process
17 where some of these are clarified, and I look for that
18 clarification there.

19 MR. MILLS: Number 2, the second question to
20 the same amendment and article, and it says, with
21 reference to Amendment No. 0001, Article 2,b, what is
22 meant by the term "effective control and command"?

23 And there again, I can't speak for the
24 Icelandic government as to what they consider
25 effective control and command. I guess I would have

1 to say with respect to that, that, Dr. Palsson, I
2 would like you to expand on that right now, or you can
3 talk with me later and we can come back with an
4 answer.

5 MR. PALSSON: I don't think we can -- we
6 will have to get back with it later one.

7 MR. MILLS: Okay. So the answer to that is
8 he and I will talk it over, and his answer will be
9 published along with the other one.

10 MR. BANNON: Bill, can I just ask a question
11 on that?

12 I just want to be clear. Has the United
13 States acceded, and the Icelandic government can
14 determine what effective control and command is over,
15 or will the United States Government be making that
16 decision itself?

17 MR. IRCINK: I think the clarification to
18 the first would answer --

19 MR. BANNON: Would answer the second?

20 MR. IRCINK: Yes.

21 MR. BANNON: Okay, fair enough.

22 MR. MILLS: And I think No. 3 is basically
23 the same question restated in a different direction,
24 so three versions of the same question.

25 With reference to Amendment No. 0001,

1 Article 2,b, would a vessel be deemed under the
2 "effective control and command" of an Icelandic
3 shipping company if the company had the right and
4 power to employ and discharge the master of the
5 vessel?

6 And I think we can discuss that also between
7 legal and Dr. Palsson, and clarify that at the same
8 time.

9 MR. KJAERNESTED: Just a question though
10 just out of curiosity. Is not in the regulation what
11 effective control and command is?

12 MR. MILLS: Well, if it was, I guess you
13 wouldn't ask the question, or the question wouldn't
14 have been asked. I mean, that's the only way I can
15 look at it. The question has been raised. If you are
16 asking Bill Mills, in my mind there is not a lot of
17 question, but there might be to other people because
18 the question as been asked that way. But we will get
19 back also on that one.

20 MR. WASHINGTON: Okay, there is one more
21 question that will be addressed by Greg.

22 MR. IRCINK: Okay. One of the questions
23 that came up, and I guess it didn't make it into the
24 questions. I understand it's going to be in the
25 written submission later.

1 But it went to the effect of a VISA
2 participant, what would the definition of a VISA
3 participant be for some Visa participant under the
4 Voluntary Intermodal Sealift Agreement, who wants to
5 bid through a separate entity or with a different
6 entity?

7 And the MTMC's answer to that is that the
8 definition is found in the VISA agreement itself that
9 a VISA participant, if it has a domestic subsidiary of
10 which it is the controlling interest, that separate
11 entity is considered a VISA participant.

12 So that is the answer, and it may seem a
13 little unclear at this point, but I think once we get
14 the original question into writing with that answer,
15 then you will all see what that is, but really that
16 goes back to the VISA agreement itself. Well, we're
17 bound by the VISA agreement.

18 MR. KJAERNESTED: Well, I guess the question
19 is whether a VISA participant who has a subsidiary?

20 MR. IRCINK: In the question posed, the
21 separate entity would be a subsidiary of the VISA
22 participant.

23 MR. KJAERNESTED: I see.

24 MR. IRCINK: And for purposes of this
25 solicitation, the question was would that new entity

1 be considered a VISA participant. And looking at the
2 VISA agreement, if it met those criteria, domestic
3 subsidiary, or the original VISA participant has a
4 controlling interest --

5 MR. KJAERNESTED: Okay.

6 MR. IRCINK: -- the VISA agreement said that
7 would be considered a VISA participant, so it will be
8 for the solicitation also.

9 MR. WASHINGTON: Are there any questions?

10 Well, at this time I would like to take a
11 10-minute break.

12 (Whereupon, a short recess was taken.)

13 MR. WASHINGTON: Are there any additional
14 questions that we have not covered at this time?

15 If you have a question, state your name,
16 spell it if you have to, and go ahead and state your
17 question. And basically what we will do, after you
18 ask the question, we will get back with you. We will
19 put the question on the web, so we are not going to
20 answer your question at this time. We're just going
21 to go ahead, take your question down, and then we will
22 address it later, and it will come out with the
23 amendment, and a copy of the transcript that we're
24 going to place on the web.

25 Also, I'm going to try to put the assignment

1 sheet on the web.

2 MR. MILLS: Just a list of participants.

3 MR. WASHINGTON: Just a list of people,
4 okay, a list of people who attended will be on there.

5 Are there any questions?

6 (No response.)

7 MR. WASHINGTON: Well, that's great. Sure
8 no questions? Going once, going twice.

9 Well, that concludes the pre-proposal
10 conference. Appreciate everybody coming and taking
11 the time out of your busy schedule to attend the
12 proposal conference. Probably within the next 7 days,
13 I should have this on the web. The transcript is
14 going to take five working days to get back to me.
15 Then we'll go ahead and post the questions and answers
16 on the web.

17 Thank you.

18 (Whereupon, at 10:31 a.m., the hearing in
19 the above-entitled matter.)

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REPORTER'S CERTIFICATE

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I hereby certify that the proceedings and evidence are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before the General Services Administration.

Date: August 8, 2003

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